

VZCZCXRO2491
PP RUEHBC RUEHDA RUEHDE RUEHDIR RUEHIHL RUEHKUK
DE RUEHKU #0129 0301347
ZNR UUUUU ZZH
P 301347Z JAN 07
FM AMEMBASSY KUWAIT
TO RUEHC/SECSTATE WASHDC PRIORITY 8162
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUCNRAQ/IRAQ COLLECTIVE PRIORITY
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0794
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS KUWAIT 000129

SIPDIS

SIPDIS
SENSITIVE

STATE PASS TO USAID, NEA/ARP FOR JACKSON

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [EFIN](#) [IZ](#) [KU](#)

SUBJECT: IRAQ: KUWAITI PARLIAMENT REAFFIRMS OPPOSITION TO
DEBT RELIEF

REF: A. 06 KUWAIT 4119

[B](#). 06 KUWAIT 4311

[C](#). 06 KUWAIT 4438

[D](#). 06 KUWAIT 4682

[1](#). (U) On January 28, the Kuwaiti state news agency KUNA reported that 100 members of Iraq's parliament sent a letter to the GOK requesting that Kuwait write off Iraqi debt (comment: pre-Gulf War Iraqi debt is about USD 11 billion). The letter, reportedly sent January 27, asked for a dialogue on the debt issue and argued that the current Iraqi government should not be saddled with debt from the previous regime. The KUNA report noted that Shaykh Jaber Al-Mubarak, who serves as both the Minister of Defense and Minister of Interior, responded that the GOK will forward the request to Kuwait's Parliament. Al-Mubarak added that while some Iraqi MPs may be calling for Iraqi debt relief, numerous Kuwaiti MPs have called for relieving the debts of Kuwaiti citizens first, implying that forgiving Iraqi debt would be a non-starter with Parliament.

[2](#). (U) Kuwaiti Parliamentary reaction was blunt. Islamist MP Jamal Al-Kandari said that Kuwait's money is for its future generations, and that "Kuwait has done enough for Iraq in helping to bring down Saddam." Another Islamist MP Mizel Al-Namran, said the Parliament was "bored of this repetitive request" and "Iraq is a rich country and is able to settle its debts." Al-Namran's view of Iraq's wealth was shared by MP Sadoun Al-Otaibi, who claimed that "Iraq is a rich country, even more than Kuwait. Kuwait's money is for Kuwait's people."

[3](#). (U) Although still rejecting debt relief, a more measured response came from liberal MP Ahmad Al-Mulaifi, who said that while Kuwait supports the Iraqi government, debt forgiveness is a line the Assembly will not cross. MP Faisal Al-Shaye similarly rejected any debt relief, saying that Iraq has the right to make the request, but Kuwaiti MPs have the right to refuse. "This will be a lesson," he said, "that one country should not invade others."

[4](#). (SBU) Comment: Iraqi debt relief continues to be a very sensitive subject in Kuwait, and virtually all Kuwaiti interlocutors have told Post that the chances of a relief measure passing through Parliament are very small (refs A, B and C). There appears to be almost no popular support in Kuwait for such a step. Although Parliament rejected the proposal to write off Kuwaiti citizens' debts (ref D), many MPs continue to advocate relieving private consumer debt ahead of any move to assist Iraq. While opposed to forgiving debt, the GOK notes consistently that it is making no effort

to collect it.

***** *

For more reporting from Embassy Kuwait, visit:
<http://www.state.sgov.gov/p/nea/kuwait/?cable s>

Visit Kuwait's Classified Website:

<http://www.state.sgov.gov/p/nea/kuwait/>

TUELLER